REMARKS

Claims 1-16 and 18 are presently pending in the application. Claim 2-8 are allowed. Claims 1, 9, 10, 12-15, 17 and 18 are rejected. Claims 11 and 16 are objected to. Claim 17 has been cancelled. Claims 8, 13 and 15 have been amended. The specification has been amended and the drawings stand as filed.

Reconsideration of the objections and rejections set forth in the aforementioned Office Action is respectfully requested in view of the following remarks. The basis for the amendments can be found throughout the Specification, Claims and Drawings as originally filed.

CLAIM OBJECTIONS

Claims 8, 13 and 15 are objected to because of certain informalities.

Applicants have amended Claims 8, 13 and 15 for clarification purposes only. Applicants contend that the amendments in response to the claim objections are not narrowing amendments.

REJECTION UNDER 35 U.S.C. § 102

Claims 1, 9, 10, 12, 13, 15, 17 and 18 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Azuma et al. (U.S. Pat. No. 4, 813,297).

With respect to claims 1, 9, 10, 12 and 13, Applicants respectfully traverse the § 102 rejections. Specifically, Applicants respectfully submit that Azuma et al. does not disclose a power transfer assembly including a torque transfer mechanism having a worm gear with less than 24 teeth. Applicants include a "marked-up" Figure 2 from Azuma et al. to illustrate that the worm gear 52 of Azuma includes 29 teeth. Applicants

respectfully submit that the Examiner incorrectly referred to worm 55 instead of worm gear or worm wheel 52. Applicants have added lines to Azuma's Figure 2 to complete the set of teeth on worm gear 52 and clearly illustrate that Azuma discloses a gearset having a worm gear with greater than 24 teeth. Accordingly, Applicants respectfully request withdrawal of the § 102 rejections.

With respect to claim 15, Applicants have amended the claim to call for a bidirectionally driveable worm gearset having a worm gear fixed for rotation with said
carrier and a worm meshed with said worm gear in combination with the other
limitations of claim 15. Support for this amendment may be found on page 8, lines 3
and 4 of Applicants' specification. Applicants respectfully submit that Azuma et al. does
not disclose a power transfer assembly as defined by currently amended claim 15.
Specifically, Applicants would like to point the Examiner's attention to column 9, lines
60-64, of Azuma et al. where it is noted that the rotation of worm 55 by worm wheel 52
is impossible according to the property of the worm 55. As such, Azuma defines a
worm gearset which is driveable in only one direction. In Azuma et al, the worm drives
the worm gear but not vice versa. Azuma et al. does not disclose a worm gearset
where rotation of the worm gear causes a worm to rotate. Accordingly, Applicants
respectfully request withdrawal of the § 102 rejections.

Applicants have cancelled claim 17.

With respect to claim 18, Applicants respectfully traverse the § 102 rejection by submitting that Azuma et al. does not disclose an enveloping worm gear having less than 24 teeth. Accordingly, Applicants respectfully request withdrawal of the § 102 rejections.

REJECTION UNDER 35 U.S.C. § 103

Claim 14 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Azuma et al. in view of Truong (U.S. Pat. No. 5,006,101). This rejection is respectfully traversed.

Applicants respectfully rely on the arguments previously set forth regarding claim 9. Applicants respectfully submit that neither Azuma et al. nor Truong teach or suggest a transfer case including a worm gearset with a worm gear having less than 24 teeth. Accordingly, Applicants respectfully request withdrawal of the § 103 rejection.

DOUBLE PATENTING

Claims 1-18 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-17 of U.S. Patent No. 6,645,112.

Applicants have included a Terminal Disclaimer to obviate the double patenting rejection over U.S. Patent No. 6,645,112. Accordingly, Applicants respectfully request withdrawal of the double patenting rejection.

ALLOWABLE SUBJECT MATTER

Applicants thank the Examiner for the allowance of claim 2-8. Claims 11 and 16 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. These claims will only be allowable upon filing of a terminal disclaimer.

CONCLUSION

All of the grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider all presently outstanding objections and rejections and that they be withdrawn. It is believed that a full and complete response has been made to the outstanding office action, and as such, the present application is in condition for allowance.

If it is believed that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600. Prompt and favorable consideration of this amendment is respectfully requested.

Respectfully submitted,

Dated July 21

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